
Health Care & Wellness Committee

HB 1869

Brief Description: Establishing the emerging therapies work group.

Sponsors: Representatives Schmick and Cody.

Brief Summary of Bill
<ul style="list-style-type: none">Establishes the Emerging Therapies Work Group to develop a comprehensive analysis of emerging therapies, defined as health care treatments that cost over \$100,000 annually, and their impacts on patients.

Hearing Date: 2/12/19

Staff: Chris Blake (786-7392).

Background:

Coordinated State Purchasing of Health Care.

The Health Care Authority is responsible for several programs that coordinate the purchasing of health care services. The Health Technology Assessment Program reviews scientific, evidence-based reports about the safety and effectiveness of medical devices, procedures, and tests and a clinical committee determines whether or not the state should pay for them. The Prescription Drug Program contracts for independent reviews of prescription drugs to compare the safety, efficacy, and effectiveness of drug classes from which recommendations are made by a clinical committee for the development of a preferred drug list. The Bree Collaborative identifies health care services that have substantial variations in practice patterns or high utilization trends and investigates evidence-based practices that will improve quality and reduce variation in the use of the services.

Preferred Drug List.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Medicaid Preferred Drug List (PDL) is a list of prescription drug classes that have gone through an evidence-based review process to determine their safety, efficacy, and effectiveness. Drugs on the PDL are generally reimbursed without authorization requirements. In developing the PDL, the Health Care Authority (Authority) contracts with the Center for Evidence-Based Policy at Oregon Health Sciences University to perform systematic evidence-based drug reviews. Using these reviews, the Pharmacy and Therapeutics Committee (P&T Committee) makes recommendations to state agencies regarding which drugs to include on the PDL. The Director of the Authority makes the final selection of drugs and drug classes to place on the Medicaid PDL.

The 2017-19 Operating Budget directed the Authority to implement a single, standard PDL to be used by all Medicaid managed care organizations. The single PDL was implemented on January 1, 2018, with additional drug classes being added through July 1, 2019.

Summary of Bill:

The Emerging Therapies Work Group (Work Group) is established to provide a comprehensive analysis of emerging therapies and their impacts on patients. An "emerging therapy" is defined as a health care treatment that costs over \$100,000 annually.

The Work Group consists of:

- two members from the Health Care Authority (Authority);
- two members from the Office of Financial Management;
- two members who are experts in the fiscal impact of emerging therapies on the state budget;
- at least one specialist in health care economics;
- at least one expert in nongene-based emerging therapies;
- at least one expert in gene-based emerging therapies;
- at least one medical ethicist;
- at least one rare disease specialist;
- at least one physician or osteopathic physician;
- at least one pharmacist;
- at least one psychologist;
- at least one health care actuary;
- at least one representative of the biotechnology industry;
- at least one representative of a rare disease pharmaceutical company; and
- an equal number of representatives from managed care organizations serving Medicaid clients, managed care organizations that have a contract with either the Public Employees Benefits Board (PEBB) or School Employees Benefits Board (SEBB), and nonprofit patient advocacy organizations that are based in Washington and represent rare diseases and those likely to benefit from gene therapy in the next five years.

The Work Group must develop a comprehensive analysis of emerging therapies and their impacts on patients, especially those enrolled in Medicaid, a PEBB plan, or a SEBB plan. The analysis must consider long-term funding for emerging treatments, potential funding options between manufacturers and the state, different payment options between the state and managed care organizations, quality oversight and outcome tracking of providers and facilities administering

emerging therapies, and management of patients eligible for emerging therapies with consideration of the benefit to the overall state budget.

The Work Group must report its findings to the Governor and the appropriate committees of the Legislature by November 16, 2020. In addition to providing a comprehensive analysis of emerging therapies and their impacts on patients, particularly those enrolled in Medicaid, the PEBB, or the SEBB, the report must include any regulatory recommendations to state agencies and legislative recommendations to the Legislature.

Appropriation: None.

Fiscal Note: Requested on February 5, 2019.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.